

GENERAL ASSEMBLY OF NORTH CAROLINA

SESSION 1997

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HOUSE BILL 964
Committee Substitute Favorable 4/29/97

Short Title: Code of Legislative Ethics Revision.

(Public)

Sponsors:

Referred to:

April 16, 1997

A BILL TO BE ENTITLED
AN ACT TO REVISE AND STRENGTHEN THE SYSTEM OF LEGISLATIVE
ETHICS.

The General Assembly of North Carolina enacts:

Section 1. Part 1 of Article 14 of Chapter 120 of the General Statutes reads as
rewritten:

"Part 1. Code of Legislative Ethics.

"§ 120-85. Definitions.

As used in this ~~Article~~: Article, unless the context clearly requires otherwise:

(1) ~~"Business with which he is associated"~~ 'Associated business' means any
enterprise, incorporated or otherwise, doing business in the State of
~~which~~ which:

a. ~~the legislator or~~ The person filing an economic interest statement
required under Part II of this Article, or any member of his ~~the~~
person's immediate household is a director, officer, owner,
partner, or employee, or

b. ~~of which the~~ The legislator and his immediate household, either
singularly or collectively, is a holder of securities worth ~~five~~
fifteen thousand dollars ~~(\$5,000)~~ (\$15,000) or more at fair market

1 value as of December 31 of the preceding year, or constituting
2 five percent (5%) or more of the outstanding stock of such
3 enterprise. For purposes of this sub-subdivision, the term
4 'business' shall not include a widely held investment fund,
5 including, but not limited to, a mutual fund, regulated investment
6 company, or pension or deferred compensation plan, if:

- 7 1. The person or a member of the person's immediate
8 household neither exercises nor has the ability to exercise
9 control over the financial interests held by the fund; and
- 10 2. The fund is publicly traded, or the fund's assets are widely
11 diversified.

12 (2) 'Immediate household' means the legislator, ~~his person,~~ the person's
13 spouse, if not legally separated, and all dependent children of the
14 legislator ~~person.~~

15 (2a) 'Legislator' means any person who has been elected or appointed to the
16 General Assembly and who has or has not yet taken the oath of office.
17 For purposes of this Article, a legislator shall be deemed elected on the
18 day following the general election held for that office.

19 (2b) 'Official action' means on questions before, or questions that may come
20 before the General Assembly, any discussion either: (i) in a standing
21 committee or subcommittee, (ii) on the floor, or (iii) in a study
22 committee or commission; participation in any motion or vote; or
23 participation in any other official decision.

24 (2c) 'Pecuniary interest' means any of the following:

- 25 a. Owning, either individually or collectively, a legal or equitable
26 interest exceeding fifteen thousand dollars (\$15,000) or five
27 percent (5%), whichever is less, of any business.
- 28 b. Receiving, either individually or collectively and directly or
29 indirectly, in the preceding 12 months, gifts or honoraria having
30 an unknown value or having an aggregate value of five hundred
31 dollars (\$500.00) or more from any person. A pecuniary interest
32 does not exist under this sub-subdivision by reason of (i) a gift or
33 bequest received as the result of the death of the donor; (ii) a gift
34 from a member of the person's immediate household; or (iii)
35 acting as a trustee of a trust for the benefit of another.
- 36 c. Holding the position of associate, director, officer, partner,
37 compensated agent, member of the governing body, or proprietor
38 of any business, irrespective of the amount of compensation
39 received.

40 (2d) 'State agency' includes a State department, institution, commission,
41 committee, board, division, bureau, officer, or official; or a nonprofit
42 corporation that has received State funding during the then current or
43 immediately preceding fiscal year.

- 1 (3) 'Vested trust' as set forth in G.S. 120-96(4) means any trust, annuity or
2 other funds held by a trustee or other third party for the benefit of the
3 ~~member or a member of his person~~ filing the statement of economic
4 interest required by Part 2 of this Article or the member of that person's
5 immediate household. A vested trust shall not include a widely held
6 investment fund, including, but not limited to, a mutual fund, regulated
7 investment company, or pension or deferred compensation plan, if:
8 a. The person or a member of the person's immediate household
9 neither exercises nor has the ability to exercise control over the
10 financial interests held by the fund; and
11 b. The fund is publicly traded, or the fund's assets are widely
12 diversified.
13 (4) 'Widely diversified' means a securities group or fund that holds no more
14 than five percent (5%) of the value of its portfolio in the securities of
15 any one issuer (other than the United States government) and no more
16 than twenty percent (20%) in any particular economic or geographic
17 sector.

18 **"§ 120-86. Bribery, etc.**

19 (a) No person shall offer or give to a legislator or a member of a legislator's
20 immediate household, or to a legislator's associated business, ~~business with which he is~~
21 ~~associated,~~—and no legislator shall solicit or receive, anything of monetary value,
22 including a gift, favor or service or a promise of future employment, based on any
23 understanding that such legislator's vote, official actions or judgment would be
24 influenced thereby, or where it could reasonably be inferred that the thing of value would
25 influence the legislator in the discharge of ~~his~~ the legislator's duties.

26 (b) It shall be unlawful for the partner, client, customer, or employer of a legislator
27 or the agent of that partner, client, customer, or ~~employer to threaten economically, directly~~
28 ~~or indirectly,~~ employer, directly or indirectly, to threaten economically that legislator with
29 the intent to influence the legislator in the discharge of his or her legislative duties.

30 (c) It shall be unethical for a legislator to contact the partner, client, customer, or
31 employer of another legislator if the purpose of the contact is to cause the partner, client,
32 customer, or employer to threaten economically, directly or indirectly, that legislator with
33 the intent to influence that legislator in the discharge of his or her legislative duties.

34 (d) ~~For the purposes of this section, the term "legislator" also includes any person~~
35 ~~who has been elected or appointed to the General Assembly but who has not yet taken the~~
36 ~~oath of office.~~

37 (e) ~~Violation of subsection (a) or (b) is a Class F felony. Violation of subsection~~
38 ~~(c) is not a crime but is punishable under G.S. 120-103.~~

39 **"§ 120-86A. General standards of conduct.**

40 (a) A legislator shall not, directly or indirectly:

- 41 (1) Use or attempt to use his or her influence as a legislator in any manner
42 which involves substantial conflict between the legislator's personal
43 interest and the legislator's duties in the public interest.

- 1 (2) Engage in sexual harassment. For purposes of this subdivision, 'sexual
2 harassment' includes sexual advances, requests for sexual favors,
3 sexually motivated physical contact or other verbal or physical conduct
4 or communication of a sexual nature when:
- 5 a. Submission to that conduct or communication is made a term or
6 condition, either explicitly or implicitly, of obtaining
7 employment, or public or constituent services, or the legislator's
8 vote or official action;
- 9 b. Submission to or rejection of that conduct or communication by
10 an individual is used as a factor in decisions affecting that
11 individual's employment or provisions to that individual of
12 constituent or public services; or
- 13 c. That conduct or communication has the purpose or effect of
14 substantially interfering with an individual's employment or
15 public or constituent services, or creating an intimidating, hostile,
16 or offensive employment or public or constituent services
17 environment.
- 18 For the purposes of this subdivision, 'employment' means only
19 employment with a State, federal, or local governmental agency.
- 20 (3) Use his or her official position or office to obtain financial gain for the
21 legislator or legislator's immediate household or associated business.
- 22 (4) Use or attempt to use the legislative office to secure or create privileges,
23 exemptions, advantages, or treatment for the legislator or others in
24 contravention of the public interest at large.
- 25 (5) Use State resources including any person, money, or property under the
26 legislator's official control or direction or in the legislator's custody for:
- 27 a. The private benefit or gain of the legislator, except on an
28 incidental and infrequent basis. This sub-subdivision shall not
29 prohibit the use of State resources to benefit:
- 30 1. Another person as part of the legislator's official duties; or
31 2. The legislator if the cost to the State is so small as to be
32 insignificant or negligible and does not interfere with the
33 legislator's official duties.
- 34 b. Any partisan political campaign activity, except for elections to
35 constitutional or party offices within the General Assembly.
- 36 (6) Use the legislator's official stationery, or a facsimile thereof, to solicit a
37 vote or a contribution for the legislator's or another person's campaign
38 for election or reelection to public office, or use the great seal of the
39 State on campaign stationery or campaign literature. A legislator may
40 use a facsimile of the legislator's official stationery or of the great seal
41 of the State in soliciting campaign contributions or thanking
42 contributors to the legislator's or another person's political campaign if it
43 is paid for by other than State funds and if it bears a clear disclaimer that

1 indicates the stationery was not printed or mailed at State expense. For
2 the purposes of this subdivision, 'official legislative stationery' means
3 the stationery which is issued by the Legislative Services Office to the
4 legislator for use as a member of the General Assembly or of its
5 legislative committees or commissions.

6 (7) While in discharge of legislative duties, become intoxicated by the use
7 of alcoholic beverages or any controlled substance defined in G.S. 90-
8 87(5).

9 (8) Accept any compensation in consideration for an appearance, speech, or
10 writing unless the appearance, speech, or writing is not primarily related
11 to his or her position as a legislator; however, a legislator may accept
12 prepaid transportation, food, and lodging for travel associated with the
13 legislator's duties or reimbursement for actual expenses incurred in
14 connection with that travel. This subdivision shall not apply to
15 activities and materials related to the presentation of a course at an
16 elementary or secondary school, college, or university.

17 (9) Accept compensation, other than that provided by law for members of
18 the General Assembly, for influencing or attempting to influence
19 legislative action through direct oral or written communication with
20 another legislator, or to solicit other persons to influence legislative
21 action. This subsection shall not apply to:

22 a. A limited liability company, partnership, or a professional
23 corporation in which a legislator has a membership or an interest
24 of any kind, if the legislator excuses himself or herself under the
25 rules of the applicable legislative chamber from deliberations and
26 voting on the matter, or

27 b. Reimbursement of a legislator's actual travel expenses for
28 promotional activities on behalf of a nonprofit corporation or
29 association.

30 (10) Solicit, receive, accept, or agree to accept anything of value from a
31 lobbyist or the lobbyist's principal.

32 (c) The provisions of subdivisions (a)(8), (9), or (10) of this section shall not apply
33 to any of the following, unless offered with the understanding that the legislator will be
34 influenced in the discharge of the legislator's duties or it could be reasonably believed to
35 so influence the legislator:

36 (1) Political contributions properly received and reported as required under
37 Article 22A of Chapter 163 of the General Statutes.

38 (2) Gifts from relatives by blood or marriage, or a member of the same
39 household.

40 (3) Printed informational or promotional material, not to exceed thirty-five
41 dollars (\$35.00) in cost.

42 (4) Items, not to exceed thirty-five dollars (\$35.00) in cost, containing or
43 displaying promotional material.

- 1 (5) A personalized plaque or trophy with a cost that does not exceed one
2 hundred fifty dollars (\$150.00), and expenses, made in connection with
3 the presentation of the plaque or trophy, for lodging, transportation,
4 entertainment, food, meals, or beverages.
- 5 (6) Educational material directly related to the legislator's official duties not
6 to exceed seventy-five dollars (\$75.00) in cost.
- 7 (7) An honorary degree bestowed upon a legislator from a public or private
8 university or college.
- 9 (8) Promotional or marketing items offered to the general public or State
10 employees on the same terms and conditions without regard to status as
11 a legislator.
- 12 (9) Lodging, transportation, entertainment, food, meals, or beverages at a
13 function to which a legislator is invited if the entire membership of the
14 House of Representatives, the Senate, or the General Assembly is
15 invited, or one of the committees, subcommittees, joint committees,
16 legislative caucuses, or county legislative delegations of the General
17 Assembly of which the legislator is a member is invited.
- 18 (10) A ticket to attend an event if the legislator buys the ticket at face value.
- 19 (11) Activities of federal, State, or local governmental officers and
20 employees while representing their agencies as exempted from the
21 regulation of lobbying by G.S. 120-47.8(3).
- 22 (12) Promotional activities, offered to all members of the General Assembly,
23 of nonprofit corporations referred to in section 501(c)(3) of the Code,
24 the 'Code' having the same meaning as defined in G.S. 105-228.90.
- 25 (13) Food, meals, or beverages provided by a lobbyist or the lobbyist's
26 principal, or both, to an individual legislator which aggregate
27 expenditure for each individual legislator shall not exceed fifty dollars
28 (\$50.00) per day nor two hundred dollars (200.00) per calendar year.

29 **§ 120-86B. Certain contracts with State agencies.**

30 A legislator, or any member of the legislator's immediate household, or an associated
31 business shall not contract for a value of one hundred dollars (\$100.00) or more per
32 transaction with a State agency or as a subcontractor with a contractor on a contract with
33 a State agency, except for:

- 34 (1) Contracts, agreements, sales, or purchases made or let after public
35 notice and competitive bidding; or
- 36 (2) Contracts, agreements, sales, or purchases available on similar terms to
37 members of the legislator's business, occupation, or profession.

38 **§ 120-86C. Certain leases or sales of real property with State agency.**

39 A legislator, any member of the legislator's immediate household, or an associated
40 business shall not lease or sell a facility, a building, or other real property to a State
41 agency. This section does not apply to sales or leases made pursuant to the State's power
42 of eminent domain, any contract or lease existing prior to the convening of the 1999
43 General Assembly, or any extension or renewal of any contract or lease, the original

1 contract or lease of which was initially entered into prior to the convening of the 1999
2 General Assembly.

3 **"§ 120-86D. Other dealings with State agencies.**

4 (a) A legislator shall not, for compensation, appear before a State agency as an
5 expert witness.

6 (b) A legislator may not, for compensation, represent or engage in negotiations on
7 behalf of a client before or with a State agency in proceedings related to the following
8 matters:

9 (1) Contracting for the conveyance of an interest in real property, or the
10 purchase, sale, rental, or lease of goods or services from a State agency;

11 (2) Rate making;

12 (3) Adoption, amendment, or repeal of any administrative rule;

13 (4) Obtaining grants of money or loans;

14 (5) Certifying, licensing, or permitting, but not including matters related to
15 drivers licenses; or

16 (6) Any proceeding before the Utilities Commission.

17 (c) A legislator shall not, for compensation, represent the State or any State
18 agency, except as permitted by G.S. 120-86B.

19 (d) Except as specifically prohibited by subsections (a), (b), and (c) of this section,
20 a legislator otherwise properly licensed may represent any person in administrative,
21 quasi-judicial, judicial, or other proceedings.

22 (e) Nothing in this section shall prohibit:

23 (1) A legislator from continuing to represent a person before any State
24 agency on any case, action, or proceeding filed and pending before that
25 agency as of the date of the legislator's election to the General
26 Assembly; or

27 (2) A legislator's partner, business associate, or associated business from
28 representing any person for compensation.

29 **"§ 120-86E. Employment of members of legislator's immediate family.**

30 (a) A member of a legislator's immediate family shall not be employed or
31 appointed to an office or position in the legislative branch of State government; provided
32 that a member of the legislator's immediate family may be employed as that legislator's
33 secretary or committee clerk, or as a page.

34 (b) Except as specifically authorized by law, a legislator shall not advocate or
35 cause the employment, appointment, promotion, transfer, or advancement of a member of
36 the legislator's immediate family to an office or position in the executive branch of State
37 government. This subsection shall not apply to elective office.

38 (c) For the purposes of this section, 'immediate family' means the spouse, parents,
39 siblings, children, grandparents, grandchildren, and the step-, half-, and in-law
40 relationships of those listed.

41 **"§ 120-87. Disclosure of confidential information.**

42 No legislator shall use or disclose confidential information gained in the course of or
43 by reason of his or her official position or activities in any way that could result in

1 financial gain for himself, a business with which he is associated the legislator, an associated
2 business or a member of his or her immediate household or any other person.

3 **"§ 120-88. ~~When legislator to disqualify himself or submit question to Legislative~~**
4 **~~Ethics Committee. Participation in official actions.~~**

5 When a legislator must act on a legislative matter as to which he has an economic
6 interest, personal, family, or client, he shall consider whether his judgment will be
7 substantially influenced by the interest, and consider the need for his particular
8 contribution, such as special knowledge of the subject matter, to the effective functioning
9 of the legislature. If after considering these factors the legislator concludes that an actual
10 economic interest does exist which would impair his independence of judgment, then he
11 shall not take any action to further the economic interest, and shall ask that he be
12 excused, if necessary, by the presiding officer in accordance with the rules of the
13 respective body. If the legislator has a material doubt as to whether he should act, he may
14 submit the question to the Legislative Ethics Committee for an advisory opinion in
15 accordance with G.S. 120-104.

16 (a) Except as permitted by subsection (c) of this section and notwithstanding any
17 other law, no legislator acting in that capacity, knowingly shall participate in an official
18 action as a legislator if the legislator, a member of the legislator's immediate household,
19 or an associated business has a pecuniary interest in or a reasonably foreseeable
20 pecuniary benefit from the matter under consideration. A potential pecuniary benefit
21 includes a detriment to a business competitor of the legislator, a member of the
22 legislator's immediate household, or an associated business. It shall be presumed that a
23 legislator has a pecuniary interest in or a reasonably foreseeable pecuniary benefit from
24 the matter under consideration if the matter involves, directly or indirectly, any item,
25 except those required to be listed in G.S. 120-96 (7), that the legislator has listed on the
26 legislator's most recent statement of economic interest or which would be required to be
27 reported if the item has been acquired since the filing of the most recent statement.
28 Notwithstanding any other provision of this Article, if the legislator has an interest that
29 the legislator believes will substantially influence the legislator's independence of
30 judgment or will prevent the legislator from exercising the legislator's independence of
31 judgment, the legislator shall abstain from participation in the official action in
32 accordance with the provisions of subsection (b) of this section.

33 (b) A legislator described by subsection (a) of this section shall abstain from
34 participation in the official action. The legislator shall submit in writing the reasons for
35 the abstention to the presiding officer of the legislator's legislative body. The abstention
36 shall be recorded in the legislative body's journal.

37 (c) A legislator may participate in an official action under any of the following
38 circumstances:

39 (1) The only pecuniary interest or reasonably foreseeable pecuniary benefit
40 that accrues to the legislator, the legislator's immediate household or
41 associated business, as a member of a profession, occupation, or large
42 class, is no greater than that which could reasonably be foreseen to
43 accrue to all members of that profession, occupation, or large class. A

- 1 large class does not include a group of investors in the stock of a single
2 issuer or a group of investors in a group of stocks not widely diversified.
3 (2) Where an official action affects or would affect the legislator's
4 compensation and allowances as a legislator.
5 (3) Before the legislator participated in the official action, the legislator
6 requested and received a written advisory opinion from the Committee
7 that the legislator's pecuniary interest or reasonably foreseeable
8 pecuniary benefit from a matter under consideration would not impair
9 the legislator's independence of judgment or influence the legislator's
10 participation in the official action.
11 (4) When the legislative chamber of which the legislator is a member
12 records in its minutes that it cannot obtain a quorum in order to take the
13 official action because members are disqualified from acting under this
14 section. As to matters being considered in committee, a legislator
15 disqualified to participate in an official action under this section shall
16 not be considered as a member of the committee for quorum purposes
17 on the matter being considered.
18 (5) A legislator may participate in deliberations and vote on an entire
19 appropriations bill, and amendments to the appropriations bill unrelated
20 to the matter in which the legislator would otherwise be prohibited from
21 acting upon by subsection (a) of this section.

22 **"§ 120-88A. Violations of this Part.**

23 A violation of G.S. 120-86(a) or (b) shall be punished as a Class F felony. A violation
24 of any other provision in this Part is not a crime but is punishable under G.S. 120-103.
25 Nothing in this Part shall prohibit a criminal prosecution under any other provision of
26 law."

27 Section 2. Part 2 of Article 14 of Chapter 120 reads as rewritten:

28 "Part 2. Statement of Economic Interest.

29 **"§ 120-89. Statement of economic interest by ~~legislative~~ certain candidates; filing**
30 **required.**

31 Every person who files as a candidate for nomination or election to a seat in either
32 ~~house-chamber~~ of the General Assembly or as Lieutenant Governor shall file a statement
33 of economic interest as specified in this Article within 10 days of the filing deadline for
34 the office he seeks.

35 **"§ 120-90. Place and manner of filing.**

36 The statement of economic interest shall cover the preceding calendar year and shall
37 be filed at the same place, and in the same manner, as the notice of candidacy which a
38 candidate seeking party nomination for the office of State ~~Senator or member of the State~~
39 ~~House of Representatives~~ Senator, State Representative, or Lieutenant Governor is required
40 to file under the provisions of G.S. 163-106.

41 **"§ 120-91: Repealed by Session Laws 1987 (Reg. Sess., 1988), c. 1028, s. 3.**

42 **"§ 120-92. Filing by candidates not nominated in primary elections.**

1 A person who is nominated pursuant to the provisions of G.S. 163-114 after the
2 primary and before the general election, and a person who qualifies pursuant to the
3 provisions of G.S. 163-122 as an independent candidate in a general election shall file
4 with the county board of elections of each county in the senatorial or representative
5 district a statement of economic interest. A person nominated pursuant to G.S. 163-114
6 shall file the statement within three days following his nomination, or not later than the
7 day preceding the general election, whichever occurs first. A person seeking to qualify as
8 an independent candidate under G.S. 163-122 shall file the statement of economic interest
9 with the petition filed pursuant to that section. A person who is nominated by party
10 convention of a new political party shall file a statement of economic interest with the
11 county board of elections within 10 days of the certification with the State Board of
12 Elections of the new party's candidates required by G.S. 163-98.

13 **"§ 120-93. ~~County boards~~ Boards of elections to notify candidates of economic-**
14 **interest-statement requirements.**

15 Each county board of elections shall provide for notification of the economic-interest-
16 statement requirements of G.S. 120-89, 120-96, and 120-98 to be given to any candidate
17 filing for nomination or election to the General Assembly at the time of his or her filing
18 in the particular county. The State Board of Elections shall provide for notification of the
19 economic-interest-statement requirements to candidates nominated by party convention
20 of a new political party of G.S. 120-92.

21 **"§ 120-93.1. Certification of statements of economic interest.**

22 ~~The chairman of the county board of elections with which a statement of economic~~
23 ~~interest is filed shall forward a certified copy of the statement to the Legislative Services~~
24 ~~Office once the candidate is certified as elected to the General Assembly.—The chairman~~
25 ~~of the county board of elections shall also forward a certified copy of each candidate's~~
26 ~~statement of economic interest, within 10 days after its filing, to the board of elections in~~
27 ~~each other county in the district the candidate seeks to represent. The chairman of the~~
28 ~~county board of elections with which a statement of economic interest is filed shall~~
29 ~~forward a certified copy of the statement to the Legislative Services Office once the~~
30 ~~candidate is certified as elected to the General Assembly. The Executive Director-~~
31 ~~Secretary of the State Board of Elections shall forward a certified copy of the statement~~
32 ~~of the candidate who is certified as elected as Lieutenant Governor to the Legislative~~
33 ~~Services Office.~~

34 **"§ 120-94. Statements of economic interest are public records.**

35 The statements of economic interest are public records and shall be made available for
36 inspection and copying by any person during normal business hours at the office of the
37 various county boards of election where the statements or copies thereof are filed and at
38 the Legislative Library after certified copies are forwarded to the Legislative Services
39 Office. The Legislative Librarian shall attach to the statement of economic interest of
40 any legislator designated in the filing: any lobbyist registration statement filed pursuant
41 to G.S. 120-47.2, or any list of authorized official liaison personnel filed pursuant to G.S.
42 120-47.8. If a county board of elections of a county does not keep an office open during
43 normal business hours each day, that board shall deliver a copy of all statements of

1 economic interest filed with it to the clerk of superior court of the county, and the
2 statements shall be available for inspection and copying by any person during normal
3 business hours at that clerk's office.

4 "**§ 120-95:** Repealed by Session Laws 1987 (Reg. Sess., 1988), c. 1028, s. 3.

5 "**§ 120-96. Contents of statement.**

6 Any statement of economic interest filed under this Article shall be on a form
7 prescribed by the ~~Committee~~, and the person filing the statement shall supply the following
8 ~~information:~~ Committee and sworn to by the person filing the statement. The form shall
9 include, but not be limited to, the following information about the person filing the
10 statement and the person's immediate household:

- 11 (1) ~~The identity, by name, of any business with which he, or any member of~~
12 ~~his immediate household, is associated;~~
- 13 (2) ~~The character and location of all real estate of a fair market value in~~
14 ~~excess of five thousand dollars (\$5,000), other than his personal~~
15 ~~residence (curtilage), in the State in which he, or a member of his~~
16 ~~immediate household, has any beneficial interest, including an option to~~
17 ~~buy and a lease for 10 years or over;~~
- 18 (3) ~~The type of each creditor to whom he, or a member of his immediate~~
19 ~~household, owes money, except indebtedness secured by lien upon his~~
20 ~~personal residence only, in excess of five thousand dollars (\$5,000);~~
- 21 (4) ~~The name of each "vested trust" in which he or a member of his~~
22 ~~immediate household has a financial interest in excess of five thousand~~
23 ~~dollars (\$5,000) and the nature of such interest;~~
- 24 (5) ~~The name and nature of his and his immediate household member's~~
25 ~~respective business or profession or employer and the types of~~
26 ~~customers and types of clientele served;~~
- 27 (6) ~~A list of businesses with which he is associated that do business with~~
28 ~~the State, and a brief description of the nature of such business; and~~
- 29 (7) ~~In the case of professional persons and associations, a list of~~
30 ~~classifications of business clients which classes were charged or paid~~
31 ~~two thousand five hundred dollars (\$2,500) or more during the previous~~
32 ~~calendar year for professional services rendered by him, his firm or~~
33 ~~partnership. This list need not include the name of the client but shall~~
34 ~~list the type of the business of each such client or class of client, and~~
35 ~~brief description of the nature of the services rendered.~~
- 36 (1) The name, occupation, nature of business, and type of clients served;
- 37 (2) The name and address of any associated business;
- 38 (3) Any business listed under subdivision (2) of this section which the
39 person knows or has reason to believe does business with or is regulated
40 by the State;
- 41 (4) The character and location of all real estate, other than the personal
42 residence of the person or of a member of the person's immediate
43 household that:

- 1 a. Is located within North Carolina,
2 b. Has a fair market value of fifteen thousand dollars (\$15,000) or
3 more, and
4 c. Of which the person or any member of the person's immediate
5 household has any beneficial interest, including an option to buy
6 or lease for 10 or more years; provided, however, if the person's
7 personal residence is a part of a larger tract, the land on which
8 the personal residence and that part of the surrounding land used
9 for residential purposes by the household need not be listed;

10 (5) The name and address of each creditor to whom the person or a member
11 of the person's immediate household owes more than fifteen thousand
12 dollars (\$15,000), except for debts secured by lien upon the personal
13 residence;

14 (6) The name of each vested trust in which the person or a member of the
15 person's immediate household has a financial interest in excess of
16 fifteen thousand dollars (\$15,000);

17 (7) For professional persons and associations, a list of classifications of
18 business clients which classes were charged or paid more than seven
19 thousand five hundred dollars (\$7,500) or more during the previous
20 calendar year; however, individual clients need not be identified, but the
21 type of business of the client or class of the client and a description of
22 the nature of the services rendered must be listed.

23 "§ 120-97: Repealed by Session Laws 1987 (Reg. Sess., 1988), c. 1028, s.3.

24 "§ 120-98. **Penalty for failure to file.**

25 (a) If a candidate does not file the statement of economic interest within the time
26 required by this Article, the ~~county~~ board of elections in which the statement is required
27 to be filed shall immediately notify the candidate by registered mail, restricted delivery to
28 addressee only, that, if the statement is not received within 15 days, the candidate shall
29 not be certified as the nominee of his party. If the statement is not received within 15
30 days of notification, the board of elections authorized to certify a candidate as nominee to
31 the office shall not certify the candidate as nominee under any circumstances, regardless
32 of the number of candidates for the nomination and regardless of the number of votes the
33 candidate receives in the primary. A vacancy thus created on a party's ticket shall be
34 considered a vacancy for the purposes of G.S. 163-114, and shall be filled according to
35 the procedures set out in G.S. 163-114.

36 (b) Repealed by Session Laws 1987 (Reg. Sess., 1988), c. 1028, s. 5."

37 Section 3. G.S. 120-102 reads as rewritten:

38 "§ 120-102. **Powers and duties of Committee.**

39 In addition to the other powers and duties specified in this Article, the Committee has
40 the following powers and duties:

- 41 (1) To prescribe forms for the statements of economic interest and other
42 reports required by this Article, ~~and~~ to furnish these forms to persons
43 who are required to file statements or ~~reports~~ reports, to review for

- 1 completeness the statements of economic interest, and inform the filer
2 of any inadequacy in the statement forwarded to the Legislative Library.
3 (2) To receive and file any information voluntarily supplied that exceeds
4 the requirements of this Article.
5 (3) To organize in a reasonable manner statements and reports filed with it
6 and to make these statements and reports available for public inspection
7 and copying during regular office hours. Copying facilities shall be
8 made available at a charge not to exceed actual cost.
9 (4) To preserve statements and reports filed with the Committee for a
10 period of 10 years from the date of receipt. At the end of the 10-year
11 period, these documents shall be destroyed.
12 (5) To prepare a list of ethical principles and guidelines to be used by each
13 legislator in determining his role in supporting or opposing specific
14 types of legislation, and to advise each General Assembly committee of
15 specific danger areas where conflict of interest may exist and to suggest
16 rules of conduct that should be adhered to by committee members in
17 order to avoid conflict.
18 (6) To advise General Assembly members or render written opinions if so
19 requested by the member about questions of ethics or possible points of
20 conflict and suggested standards of conduct of members upon ethical
21 points raised.
22 (7) To propose rules of legislative ethics and conduct. The rules, when
23 adopted by the House of Representatives and the Senate, shall be the
24 standards adopted for that term.
25 (8) Upon receipt of information that a legislator owes money to the State
26 and is delinquent in making repayment of such obligation, to investigate
27 and dispose of the matter according to the terms of this Article."

28 Section 4. A new section is added to Part 3 of Article 14 of Chapter 120 of the
29 General Statutes to read:

30 **"§ 120-105.1. Funding and staff of Legislative Ethics Committee.**

31 The Legislative Services Commission may allocate available funds to the Legislative
32 Ethics Committee as the need arises. The Legislative Ethics Committee may hire
33 temporary or permanent employees to aid it in its work."

34 Section 5. G.S. 120-106 is repealed.

35 Section 6. G.S. 120-47.2 reads as rewritten:

36 **"§ 120-47.2. Registration procedure.**

37 (a) A lobbyist shall file a registration statement with the Secretary of State before
38 engaging in any lobbying. A separate registration statement is required for each
39 lobbyist's principal.

40 (b) The form of the registration shall be prescribed by the Secretary of State and
41 shall include the registrant's full name, firm, and complete address; the registrant's place
42 of business; the full name and complete address of each person by whom the registrant is
43 employed or retained; ~~and~~ the name of any legislator, as defined in G.S. 120-85(2a);

1 (1) Who is a member of or has any interest of any kind in a limited liability
2 company, partnership, or professional corporation in which the
3 registrant is also a member, director, officer, owner, partner, or
4 employee; or

5 (2) With whom the registrant is a member of the immediate household, as
6 defined in G.S. 120-85(2); and

7 a general description of the matters on which the registrant expects to act as a lobbyist.

8 (c) Each lobbyist shall register again with the Secretary of State no later than 10
9 days after any change in the information supplied in his last registration under subsection
10 (b). Each supplementary registration shall include a complete statement of the
11 information that has changed.

12 (d) Within 20 days after the convening of each session of the General Assembly,
13 the Secretary of State shall furnish each member of the General Assembly and the State
14 Legislative Library a list of all persons who have registered as lobbyists and whom they
15 represent. A supplemental list shall be furnished periodically each 20 days thereafter as
16 the session progresses.

17 (e) Each registration statement required under this Article shall be effective from
18 the date of filing until January 1 of the following odd-numbered year. The lobbyist shall
19 file a new registration statement after that date, and the applicable fee shall be due and
20 payable.

21 (f) A lobbyist, who is required to report the name of a legislator under subsection
22 (b) of this section, shall file a certified copy of the filed lobbyist registration statement
23 with the Legislative Library within 10 days of registering as a lobbyist."

24 Section 7. G.S. 120-47.8 reads as rewritten:

25 **"§ 120-47.8. Persons exempted from provisions of Article.**

26 The provisions of this Article shall not be construed to apply to any of the following:

27 (1) An individual, not acting as a lobbyist, solely engaged in expressing a
28 personal opinion on legislative matters to his own legislative delegation
29 or other members of the General Assembly.

30 (2) A person appearing before a legislative committee at the invitation or
31 request of the committee or a member thereof and who engages in no
32 further activities as a lobbyist in connection with that or any other
33 legislative matter.

34 (3) a. A duly elected or appointed official or employee of the State, the
35 United States, a county, municipality, school district or other
36 governmental agency, when appearing solely in connection with
37 matters pertaining to his office and public duties.

38 b. Notwithstanding the persons exempted in this Article, the
39 Governor, Council of State, and all appointed heads of State
40 departments, agencies and institutions, shall designate all
41 authorized official legislative liaison personnel and shall file and
42 maintain current lists of designated legislative liaison personnel
43 with the Secretary of State and shall likewise file with the

1 Secretary of State a full and accurate accounting of all money
2 expended on lobbying, other than the salaries of regular full-time
3 employees, at the same times lobbyists are required to file
4 expense reports under G.S. 120-47.6. The officer designating an
5 authorized official legislative liaison, who is also a member of a
6 legislator's immediate household as that term is defined by G.S.
7 120-85(2), shall file a certified copy of the list of authorized
8 official liaison personnel in the Legislative Library, within 10
9 days of the filing of the list with the Secretary of State. The
10 officer shall specify in writing the legislator whose immediate
11 household includes the authorized official legislative liaison.

- 12 (4) A person performing professional services in drafting bills or in
13 advising and rendering opinions to clients, or to legislators on behalf of
14 clients, as to the construction and effect of proposed or pending
15 legislation where the professional services are not otherwise, directly or
16 indirectly, connected with legislative action.
- 17 (5) A person who owns, publishes or is employed by any news medium
18 while engaged in the acquisition or dissemination of news on behalf of
19 the news medium.
- 20 (6) Repealed by Session Laws 1991, c. 740, s. 1.1.
- 21 (7) Members of the General Assembly.
- 22 (8) A person responding to inquiries from a member of the General
23 Assembly or a legislative employee, and who engages in no further
24 activities as a lobbyist in connection with that or any other legislative
25 matter.
- 26 (9) An individual giving facts or recommendations pertaining to legislative
27 matters to his own legislative delegation only."

28 Section 8. G.S. 120-86B, 120-86C, and 120-86D, contained in Section 1 of
29 this act, become effective November 3, 1998. G.S. 120-86E, contained in Section 1 of
30 this act, becomes effective upon the convening of the 1999 General Assembly. The rest
31 of this act becomes effective October 1, 1997.